

County of Los Angeles CHIEF EXECUTIVE OFFICE

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October 30, 2015

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Supervisor Sheila Kuehl Supervisor Don Knabe

From:

Sachi A. Hamai

Chief Executive Officer

WASHINGTON, D.C. UPDATE ON THE ENACTMENT OF THE SURFACE TRANSPORTATION EXTENSION ACT (H.R. 3819)

Executive Summary

This memorandum is to inform the Board that, on October 29, 2015, the President signed the Surface Transportation Extension Act (H.R. 3819) into law, which extends Federal highway and mass transit programs through November 20, 2015, and also extends the deadline for railroads to install positive train control systems for three additional years through December 31, 2018. H.R. 3819 passed the Senate by voice vote on October 28, 2015, one day after it passed the House by voice vote.

Three-Week Extension of Surface Transportation Programs

H.R. 3819 extends the authorization for surface transportation (highway and mass transit) programs through November 20, 2015. These programs otherwise would have expired on October 29, 2015. The three-week extension is intended to provide time for the Senate and House to negotiate and enact a six-year surface transportation reauthorization bill. On July 30, 2015, the Senate passed its six-year reauthorization bill, called the Developing a Reliable and Innovative Vision for the Economy ("DRIVE") Act (H.R. 22). The House Transportation and Infrastructure (T&I) Committee approved its six-year reauthorization bill, which is called the Surface Transportation Reauthorization and Reform (STRR) Act (H.R. 3763), on October 22, 2015.

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As reported previously, the main obstacle to the enactment of a multi-year surface transportation reauthorization bill has been the lack of agreement on how to raise sufficient revenue for the Highway Trust Fund (HTF) to finance highway and transit programs. The HTF is financed by fuel excise tax revenue, which has not kept up with current transportation financing needs due to improved motor vehicle fuel efficiency and fewer vehicle miles traveled. The Senate's DRIVE Act provides financing for the first three of its six-year reauthorization while the House T&I Committee's STRR Act does not include any financing. The House hopes to amend financing provisions into H.R. 3763 when the bill is on the House floor next week. It is far from clear that both houses will be able to reach agreement on financing and other provisions of a six-year surface transportation reauthorization bill by November 20, 2015. If not, another short-term extension will be enacted.

Positive Train Control

The bill also postpones the deadline for railroads to install automated positive train control (PTC) technology for slowing and stopping trains to avoid collisions until December 31, 2018. It also allows railroads to propose an alternative schedule for PTC implementation, and authorizes the Department of Transportation to extend the deadline for up to 24 additional months beyond December 2018. Under prior law, which was enacted on October 16, 2008, one month after a deadly Metrolink accident in Chatsworth, railroads were mandated to install PTC by December 31, 2015.

In August 2015, the Federal Railroad Administration submitted a report to Congress indicating that the vast majority of railroads would not be able to implement PTC by the deadline of December 31, 2015. Railroads reportedly have invested nearly \$6 billion in implementing PTC technology. Many of them indicated that they would have to close entire freight and/or passenger rail lines if the deadline were not extended.

We will continue to keep you advised.

SAH:JJ:MR MT:ma

c: All Department Heads Legislative Strategist